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SCOPE AND METHODOLOGY

As part of our overall Library Department audit, the City Council requested that we evaluate the feasibility of charging patrons to use the Silicon Valley Information Center (SVIC).

Accordingly, we reviewed the SVIC to determine if it is providing services consistent with Department policy. We interviewed Department officials and compared applicable policies to actual practices. We also reviewed Department documents and billings from companies providing online database services for the SVIC and the Online Reference Desk.

**THE LIBRARY DEPARTMENT DOES NOT CHARGE PATRONS FOR
SILICON VALLEY INFORMATION CENTER SERVICES
OR COMPARABLE SERVICES**

The Silicon Valley Information Center (SVIC) opened in 1986 to provide a centralized information resource to respond to questions about Silicon Valley industries and issues. From October 1, 1985 through September 30, 1987, about $1.3 million was dedicated to plan and operate the SVIC. Of that amount, the State of California contributed nearly $900,000.Since then, the City's General Fund has been the SVIC's primary source of funds. Usage of the SVIC has grown significantly to nearly 9,000 patrons in 1988.Most SVIC patrons are either job-seekers or individuals in the service industry who are researching potential clients. A limited survey reveals that patrons seem satisfied with the level of service the SVIC provides.

In 1988-89, the Library Department (Department) allocated about $292,000 to operate the SVIC. The Department does not recover any of these costs through user-fees. This practice is consistent with the Department's policy to provide comparable services for free. Specifically, within certain restrictions, the Department provides database searches at its Online Reference Desk and the SVIC. If a patron's needs exceed the scope of free services, the Online Reference Desk policy is to have the Online Reference Desk charge the patron for a Fee-based search. The Online Reference Desk charges the patrons for the cost of commercial database connection time and print fees. The Online Reference Desk is the only section of the Department that is authorized to charge patrons for information services. During our review we did not identify any instances where the SVIC provided a service for free that should have been referred to the Online Reference Desk for a Fee-based search.
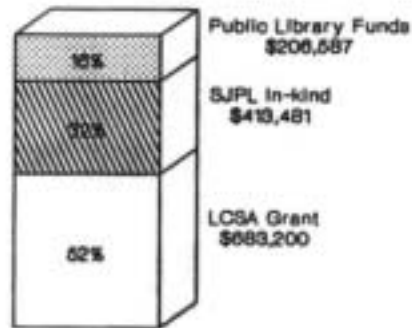
The SVIC Opened In 1986

The Silicon Valley Information Center is the first centralized public facility to chronicle the birth, development and revolutionary impact of the high technology industries of Silicon Valley. The SVIC provides resources for historical and environmental research, technological study, product marketing and employment searches. In addition, local companies have contributed material to develop a corporate archival collection of annual reports, newsletters, product brochures, and other material.

The SVIC was created in response to a demand for information on Silicon Valley-related issues. Approximately 70 percent of the Department's requests for information were business related questions. A growing number of these questions were specifically about Silicon Valley industries and issues. Thus, the SVIC was created to provide a centralized resource to respond to these questions.
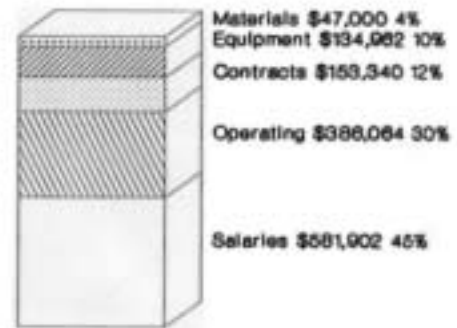
The SVIC was established through a combination of State and City funds. In 1984, the State provided $9,750 from the Library Construction and Services Act (LCSA) to plan the SVIC. From October 1985 to September 1987, the SVIC was supported by two additional LCSA grants, State Public Library Funds and San Jose Public Library (SJPL) In-kind contributions. When the State grants expired in September 1987, the City absorbed the full cost of operating the SVIC. Exhibit 1 shows the sources and uses of funds for the first two years the SVIC was in operation.

Exhibit 1

SVIC Source of Funds
10/01/85 - 9/30/87

Public Library Funds
$206,587

SJPL In-kind
$413,481

LCSA Grant
$683,200

SVIC Use of Funds
10/01/85 - 9/30/87

Materials $47,000 4%
Equipment $134,962 10%

Contracts $153,340 12%

Operating $386,064 30%

Salaries $581,902 45%

Current SVIC Costs

In 1988-89, the SVIC will cost approximately $292,000 to operate. SVIC's personnel costs account for $277,758 or 95 percent of its total costs. The SVIC is currently staffed at 8.8 full-time equivalents: 5.8 Librarians, 1 Page, 1 Library Assistant, and 1 Clerk. The SVIC's other costs include approximately $7,000 to acquire materials and approximately $7,234 for its share of the Department's 1988-89 overhead costs.

SVIC Usage

SVIC usage has grown significantly since 1987.For example, in 1987 the SVIC served 5,982 walk-in and telephone patrons. In 1988, total usage jumped to 8,771 patrons, an increase of 46.6 percent. Furthermore, in January 1989, the SVIC served 837 patrons, an increase of 35.7 percent over January 1988's usage.

Exhibit 2

SVIC Usage
1987-Jan 1989

Number of Patrons

Includes walk-in and telephone
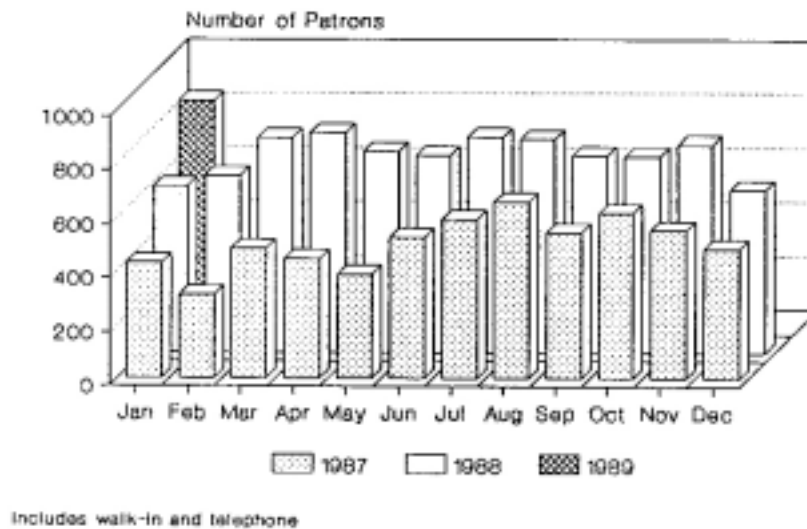
According to a 1987 Department-commissioned survey, SVIC patrons are primarily job-seekers researching potential employers. The second highest user is the local business person who typically uses the SVIC to research companies and develop business opportunities. Our interviews of twenty SVIC users support the 1987 survey. Most of the users we surveyed were job-seekers or individuals in the service industry who were researching potential clients. Of the twenty individuals we surveyed, three worked for management consulting firms and were conducting research on behalf of their clients. Exhibit 2 shows the profile of SVIC users taken from the 1987 survey.

Exhibit 3

SVIC User Profile
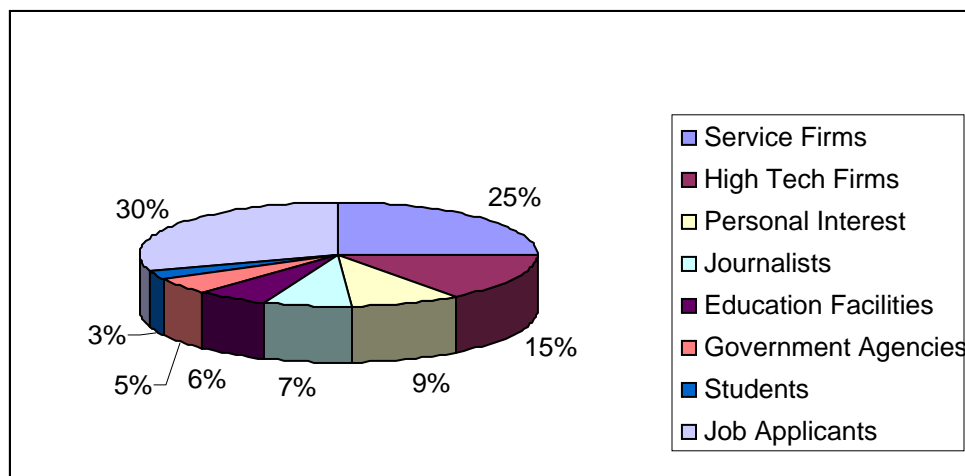
During our interviews, we asked the SVIC users to rate their level of satisfaction. Of the twenty individuals surveyed, nineteen gave the SVIC the highest rating possible, "mostly satisfied." Only one responded, "somewhat satisfied." All interviewees plan to continue using the SVIC.

SVIC And Database Services

One of the services SVIC and the Online Reference Desk offer is accessibility to extensive commercial databases. Using an online database service, such as Dialog, a trained reference searcher can quickly retrieve information from over 152 million records. Subjects available include science, medicine, engineering, social sciences, business and economics.

The use of commercial databases offers several advantages to both the patron and the Department. First, much of the material in the database is expensive and voluminous in print form. Online capability saves money and space. For example, the Department conducts about ten database searches annually of Science Citation Index at an average cost of $7.00 per search. The same information in print would cost approximately $20,000 annually and would take up one-fourth of the Main Library's Reference floor. The Department realizes additional cost savings because they do not have to catalog or process printed material. Secondly, database searches take less time than manual searches. Thus, Librarians can respond to questions more quickly and serve more patrons. Lastly, the online database is updated frequently, sometimes daily, so it is often the most current information. Databases may, in fact, be the only available source.

The Department has established criteria for free and user-fee database services. The fee criteria is a function of 1) the time the search will take, 2) the cost of the database being searched, 3) the number of citations the patron requests, and 4) the expertise required to conduct the search. The Department offers two types of free database services: "Ready-reference" searches and "Reference" searches. Ready-reference searches are designed to answer a specific question and provide a minimum number of citations. The searcher can quickly provide the information while the patron waits. In contrast, Reference searches are more difficult in scope and may require special training. Reference searches are taken as a written question. Both the SVIC and Online Reference Section conduct Ready-reference and Reference searches for free. In addition, the Online Reference Desk also conducts

"Fee-based" searches for patrons whose needs are complex or extensive. The Department charges patrons for the commercial database connection charges and any printing fees. The fee does not include the cost of the Librarian's time. Exhibit 3compares the three types of online database searches.

Exhibit 4
Description Of Database Services

	SVIC And Online Reference Services		Online Reference Only
	Ready-reference	*Reference*	*Fee-based*
1. Staff requirements	• Search training and certification by the ORS Senior Librarian	ORS certified searcher	ORS certified
2. Number of databases consulted	2-3	N/A	As needed
3. Number of citations	5-6	20	As requested
4. Maximum cost (online time and print costs)	$10	$20	As restricted by patron
5. Restrictions	• Five minutes on line	• Taken as written questions performed at ORS non-public terminals as work load permits.	• Patron must complete search agreement form.
	• Conducted on demand at public service workstation	• Use when search is more complex than ready-reference.	• Performed with or without patron as workload permits on a scheduled basis.
	• Use when more cost-effective than manual search of printed material.		• Information requirements exceed reference services because of complexity, number of citations or amount of online time.
			• Patron elects to pay for convenience rather than use printed information.

As noted in Exhibit 3, the SVIC conducts only Ready-reference or Reference database searches. It does not conduct Fee-based searches. Instead, the SVIC is supposed to refer any search that meets the Fee-based criteria to the Online Reference Desk.

Compliance With Department Policy

We analyzed database charges to determine whether the SVIC complies with Department policy on the use of online databases. In general, the SVIC does not perform online searches that cost more than $20.However, at the Librarian's discretion, some factors may necessitate a search cost greater than $20.Examples of these factors include:

- the researcher is close to finding the information,

- the researcher is being trained,

- the researcher makes a mistake and accesses the incorrect database,

- the researcher logs on to the computer once, but conducts more than one search.

During its first 19 months of offering database services (June 1987-December 1988), the SVIC conducted 344 database searches. Of these, only seven of the 344 searches, or two percent, exceeded the $20 maximum.

We also compared the cost of SVIC database searches to the Department's other online reference services to determine if the costs were comparable. We found that the average cost of a SVIC database search was less than the average cost of the Online Reference Desk's Ready-reference or Reference searches. Specifically, from June 1987 through December 1988, the SVIC's database costs averaged $76.38 per month or $4.22 per search. In comparison, the Department's other Ready-reference and Reference searches averaged $6.58 per search in 1987-88. These amounts were well within the Department's $20 cost policy.

A comparison of the average database cost per search for the SVIC and the Online Reference Desk Ready-reference and Reference searches is shown in Exhibit 4. Also shown is the average database cost for Online Reference Desk Fee-based searches, which the Department fully recovers.

Exhibit 5
Cost/Search Comparison
SVIC, Online & Fee-based

Database Charges FY 87-88
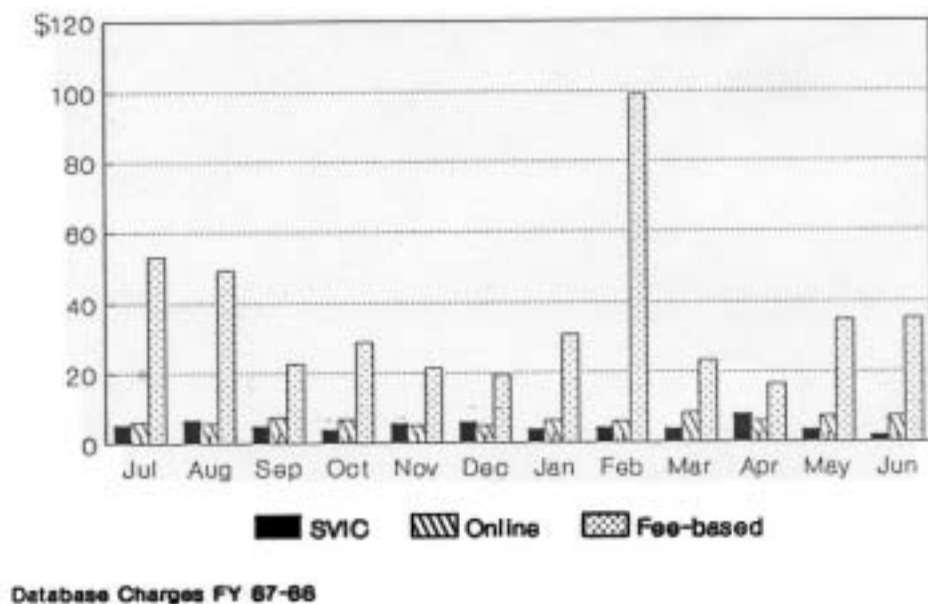
Based on the above analysis, it appears that the SVIC generally complies with Department policy to conduct online Ready-reference and Reference searches only.

It should be noted that the Department is evaluating opportunities to provide a research service that would be fully cost-recoverable. The purpose of this research service would be to meet sophisticated information needs that exceed the scope of reference services without incurring additional costs. It is not intended to replace the online database services currently offered at no charge. The Department will continue to provide online database services according to current policy.

The Department reviewed a similar research service at the Cleveland Public Library. The Cleveland Research Center charges the patron an hourly rate and all database connection and printing fees. In addition, the Cleveland Research Center sells packaged products such as Commodity Trade Reports, Company Credit Reports and Country Profiles. They also provide information tracking services. Thus, the research librarian provides services similar to an information broker.

According to the Librarian at the Cleveland Research Center, the Department should consider the following in developing such a research service:

- establishing prices so that all necessary expenses are fully cost-recovered,

- identifying users and their needs,

- developing a billing system that will accept corporate accounts, Mastercard and VISA, and

- defining the mission and goals of the research service with the aid of local business leaders.

CONCLUSION

The SVIC provides a variety of free services to the public including access to online databases. Our review found that this practice is consistent with Department policy.